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United States Senate

WASHINGTON, DC 20510-3405

June 3, 2008

The Honorable William E. Kovacic
Chairman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairman Kovacic:

In recent months the price of agricultural fertilizer has risen to new and unprecedented levels.

Farmers are experiencing strong commodity prices, but most of the increased income is being eaten by the rapid and unprecedented climb in fertilizer costs.

Some of the price increase for fertilizers can be explained by market forces including rising petroleum prices and increasing worldwide demand for certain types of fertilizer. But those factors alone can't explain the current escalation in fertilizer prices.

I believe that the volatility and inconsistencies between prices that are moving aggressively on a daily basis invite heightened scrutiny.

Recent consolidation in the fertilizer industry has contributed to the lack of transparency within that industry which makes it difficult to get a clear understanding of what is happening to cause this remarkable increase in pricing.

For these reasons, I request that the Federal Trade Commission examine pricing within the fertilizer industry.

A thorough examination of the supply chain above the retail level should help explain the reason for the explosive rise in the price of all types of fertilizer.

I hope this investigation will shed light on a situation that has thus far proven baffling and of great concern to family farmers who cannot understand the inexplicable run up in fertilizer prices.

Sincerely,



Byron L. Dorgan
U.S. Senator

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